

## Message Text

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ACTION EB-07

INFO OCT-01 EUR-12 IO-10 ISO-00 AF-06 ARA-06 EA-07 NEA-10

L-03 FRB-03 OMB-01 TAR-01 SP-02 AGR-05 AID-05 CIAE-00

COME-00 INR-07 LAB-04 NSAE-00 OIC-02 SIL-01 STR-04

TRSE-00 CIEP-01 CEA-01 /099 W  
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R 151857Z AUG 75

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 3869

INFO USMISSION EC BRUSSELS

USMISSION OECD PARIS

USMISSION GENEVA

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E.O. 11652: N/A

TAGS: ETRD EAGR

SUBJECT: COCOA: FIRST CONSUMER CAUCUS

1. DURING MEETING OF CONSUMER CAUCUS ON AUGUST 13 IN WHICH THE U.S. DEL WAS PERMITTED TO PARTICIPATE SEVERAL HOUSEKEEPING ISSUES WERE DISCUSSED. DRAFTING OF NEW BUFFER STOCK REGULATIONS, LONG A BONE OF CONTENTION, WERE DEFERRED UNTIL AFTER THE GENEVA NEGOTIATIONS.

2. CONSUMER MEMBERS CAREFULLY QUESTIONED THE EXECUTIVE DIRECTOR (HACKMAN) AND HEAD OF STATISTICAL DEPARTMENT (SEFIA) ON THE METHODOLOGY AND PROCEDURES USED IN THE PAST IN SETTING ANNUAL EXPORT QUOTAS. APPARENTLY A HEATED DISCUSSION OVER THIS ISSUE HAS BEEN UNDER WAY FOR SOME TIME, INCLUDING CONSIDERABLE CONFLICT BETWEEN CONSUMERS AND PRODUCERS, AND DISSATISFACTION WITH EFFORTS AT RESOLUTION BY THE SECRETARIAT.

3. FOR THE 1973/74 AND 1974/75 QUOTA YEARS, QUOTAS HAD  
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BEEN BASED UPON DEMAND ESTIMATES OF 1.7 MILLION METRIC

TONS (FAO GRIND ESTIMATES). CONSUMERS MAINTAINED THAT THESE ESTIMATES DID NOT TAKE INTO ACCOUNT ALL THE FACTORS LISTED IN ARTICLE 31 OF THE AGREEMENT. THEY APPEARED TO FEEL THAT EVEN THOUGH THE QUOTA SETTING EXERCISE IS A THEORETICAL ONE SO LONG AS PRICES REMAIN ABOVE THE PRICE RANGE, EVERY EFFORT SHOULD BE MADE TO MAKE ANNUAL QUOTAS CORRESPOND TO REALITY.

4. DISCUSSIONS ON COCOA DEMAND ELASTICITIES REVEALED THAT THE CURRENT INTERNATIONAL COCOA ORGANIZATION (ICCO) STUDY WILL REPORT A DEMAND ELASTICITY OF 0.2. SOME PREVIOUS STUDIES HAD ARRIVED AT A DEMAND ELASTICITY OF 0.4.

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5. SOME CONSIDERATION WAS GIVEN TO THE NOMINATION OF A CHAIRMAN FOR THE NEGOTIATING CONFERENCE, AND THE CHAIRMEN OF THE ECONOMIC AND ADMINISTRATIVE COMMITTEES. NO DEFINITE DECISIONS WERE TAKEN HOWEVER.

6. CONSUMERS DECIDED THAT THE PREPCON SHOULD BE USED TO A LARGE DEGREE FOR CONSUMER CAUCUS MEETINGS TO BETTER CONCENTRATE CONSUMER IDEAS.

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** COCOA, IMPORTERS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 15 AUG 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GolinoFR  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
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**Disposition Remarks:**  
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**TAGS:** ETRD, EAGR  
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